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The 1967 Municipal Reform in New Brunswick

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The municipal reform introduced in New Brunswick in 1967 was central to the Programme of Equal Opportunity. So extensive was the recasting of the institutional framework that it abolished the more than century-old local governments, led to a major transfer of powers from the municipalities to the provincial government, and redefined provincial-municipal relations.

Who except the older generations remembers the county councils or the county school finance boards and the powers they had? In the nineteenth century, county councils were delegated extensive powers, and for a time in the province's political history, councils exercised those powers to govern the lives of citizens in areas which today are considered essential and which account for more than 75 percent of the provincial budget.

In the years leading up to the reform, the province's local governments were in serious financial straits. For many of them, it had become difficult, if not impossible, to adequately exercise the powers vested in them by the provincial government. Following through on one of its 1960 election promises, the Robichaud government appointed the Royal Commission on Finance and Municipal Taxation, better known as the Byrne Commission. The Commission's recommendations formed the basis for the 1967 Programme of Equal Opportunity.

The aim of this chapter is to present the structure and powers of the local governments prior to and following the 1967 reform. In tandem with this, I will attempt to see what effect these institutions may have had on the political life of Acadians.

Political theorists who have reflected on democracy are unanimous in recognizing local political institutions as the foundation of

democracy. Since these local institutions are closer to the people, they tend to be more involved with them than they are with higher-level institutions, and this involvement may spark an interest in public affairs. Alexis de Tocqueville, a close observer of the nineteenth century, had high praise for American democracy because of the vitality of its local political institutions.[1] Thus, when a government announces a policy to reform local institutions, particularly a policy of centralization, analysts of democracy tend to be on their guard. The very nature of the regime may be threatened.

Admittedly, however, local institutions within the Canadian political system do not possess a high degree of autonomy. According to the division of jurisdictions within the Canadian federal system, as set out in the British North America Act of 1867, local political institutions, including municipalities, report to a provincial authority. Within this system, municipal governments do not constitute a third order of government. The powers exercised by them are only those assigned to them by the provincial statutes. It follows then that provincial authorities have considerable control over the actions taken and decisions made by municipal governments. Consequently, local administrations, and municipalities in particular, cannot be said to be autonomous political institutions. When there is a need for municipal reform, the principal agent of change has invariably been, and will continue to be, the provincial government.

This chapter consists of four sections. The first two present the structure of municipal governments and the powers held by them before the 1967 reform. Emphasis is placed on the government's financial difficulties, which gave rise to inequities among the different regions of New Brunswick. In the last two sections, the focus is on the changes made to the structure of the municipal governments under the reform plan and the effect of those changes on provincial-municipal relations.

The Organization of Local Political Institutions Prior to the 1967 Reform

The structure of the province's local institutions up to the 1960s was extremely complex. Much of it dated back to the nineteenth century, and aside from a few adjustments, its essential provisions survived into modern times. Provincial authorities distinguished between rural and urban municipalities, a distinction that reflected the makeup of

1. Alexis de Tocqueville, *De la démocratie en Amérique* (Paris: Gallimard, 1961), 57–79.

society at the time as the majority of the population was agricultural. In time, these rural areas organized into municipalities and managed their own affairs; counties and civil parishes evolved, and the latter became the foundation of the rural municipality.

In the early 1960s, there were five categories of municipal government: fifteen counties, six cities, twenty-one towns, one village, and some seventy local improvement districts and local administrative commissions. There were also two categories of local authorities, both of which were fairly autonomous: school boards and county school finance boards. All of these institutions were constituted into corporations, and with one exception, the county school finance boards, residents elected their representatives. The fact that the representatives were elected gave the institutions greater legitimacy by making them democratic. The members of the county school finance boards were not elected: four were appointed by the county council and three others, including the chairman, by the provincial cabinet.[2]

Provincial legislation that provided for the organization and operation of these institutions was far from uniform for all municipalities. The statutes creating the municipalities were so numerous that they gave rise to as many special situations as there were municipalities. The adoption of statutes respecting counties in 1877, towns in 1986, villages in 1920, and local improvement districts in 1945 helped perpetuate these special situations, despite the intentions of provincial authorities to make municipal structures uniform across the province.[3]

The municipal system was inconsistent in many respects. To start with, representation within the various councils could vary from one municipality to the next. Within the county councils, the basic unit of representation was the parish. In nearly all cases, two councillors were elected in each parish. Therefore, instead of being based on a county's population, representation was determined by the number of parishes within a county. This resulted in councils that varied in constitution from one county to the next, for instance, from thirteen councillors in Albert to thirty-five in Charlotte. Similarly, the vote ratio differed from one county to another, ranging from 491 persons per elected councillor in Charlotte to 2,663 in Westmorland. Some

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2. The procedure was modified in the early 1960s, at which time it was agreed that all members would be elected by the county council. See New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick* (Fredericton, Queen's Printer, 1963),65–66.
3. H. Whalen, *The Development of Local Government* (Fredericton: Queen's Printer, 1963), 91–109.

cities were divided into wards; others were not. And both the constitution of the council and the vote ratio varied from one city to the next. For example, the ratio ranged from 1,738 people per elected councillor in Oromocto to 7,879 in Saint John.[4]

The electoral procedure also lacked uniformity with respect to election dates, the term of office and even the qualifications required of voters and councillors. In cities and towns, for example, the term of office was two years, except in Oromocto, where it was four. In county councils, councillors were elected for four-year terms in all but two county councils, Charlotte and Madawaska, which had two-year terms. While the mayor of an urban municipality was elected directly by the ratepayers, the county warden was selected by the elected councillors. The mayor's term of office was two years, the warden's one. The mayor voted on the council only in the event of a tie, whereas the warden voted on all proposals. And when the vote was tied, the motion was defeated.

The Counties Act of 1877 provided that urban municipalities may appoint ex officio representatives to county councils. Towns were allowed one to three such councillors; cities were allowed three to thirteen. In addition to taking part in debates, ex officios were able to vote on decisions in certain circumstances. In two counties, Saint John and Westmorland, the urban ex officios and rural councillors tended to be equal in number: Saint John had thirteen urban councillors and fourteen rural; Westmorland's councillors numbered twelve urban and fifteen rural. Consequently, it was not difficult for urban delegates to gain control of the councils of these two rural municipalities. Needless to say, this urban representation within the county councils gave rise to strained relations between the province's different municipalities.[5]

In itself, this lack of uniformity in the overall organization of the different municipalities did not pose serious problems. Little did it matter whether the elections of urban or rural councillors were held in January, March, or September, or whether the various councils met more often in one municipality than in another. Such differences did not in any way detract from the democratic character of these local institutions as a whole. Indeed, they could even add a little local colour to the process.

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4. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 62.

5. Ibid., 60–62.

The one area where this lack of uniformity among the municipalities gave rise to serious problems was property assessment — the determination of the taxation rate on real and personal property. If all aspects of taxation had been evaluated by ratepayers of the day on the basis of how easy it was for them to precisely determine their fair share of tax to be paid, property assessment would probably have qualified as the most difficult. Ratepayers do not always have the information they need about construction or market conditions to determine if they have been overassessed. Further aggravating the situation were the absence of uniform standards of assessment among the municipalities and the arbitrary selection of application methods, which was left to the discretion of municipal officials who often lacked the proper training.

Despite their good intentions, assessors were not always provided with uniform schedules to help them perform their task. In assessing real property, they had no reference manuals or statistics, since neither the provincial government nor the municipalities had compiled data on construction costs or property sales. There were similar problems with personal property assessment, where the assessment methods used were no more consistent, which meant that in the end it was often left to the assessor's good judgment. Consequently, the potential for differing assessments was high as it all came down to whether or not the appraiser was well disposed towards the owner. This is why some properties in the same municipality were assessed at half the value required by law and others at twice the value.[6]

The statutes respecting the assessment of personal and real property were so complex as to be incomprehensible.[7] The confusion stemmed from the fact that provincial authorities had retained only limited jurisdiction in property assessment, which meant that municipalities possessed a high degree of autonomy in this area. To make matters worse, whenever a municipality requested that a given statute be amended, the provincial government complied.

In addition to generating confusion, the multitude of statutes produced different taxation rates on both real and personal property in the municipalities. The taxes paid by some taxpayers were thus excessive compared to those paid by others in neighbouring municipalities. Not only was the situation responsible for inequalities among

6. Ibid., 13.

7. Whalen, *The Development of Local Government*, 92.

the municipalities; it was also a source of inequities for certain taxpayers in the province. For instance, according to Byrne Commission data, the 1961 tax rate on real property ranged from $1.21 per $100 of value in Bathurst to $5.26 in Kent County, which resulted in a median rate of $2.20.

For taxpayers, the tax on personal property has always been a thorny issue, more so than any other tax. The problem is how to assess personal property and how to establish a fair rate. The items to which the tax applied became increasingly limited, and by the 1960s, for most citizens it applied only to automobiles. Such was not the case for farmers, however, since livestock and machinery could be taxed. And for merchants, their stock-in-trade was considered personal property. Industrial concerns whose companies had not negotiated tax agreements with the municipalities were also subject to the tax, since machinery and equipment fell into the category of taxed property.[8]

A system where one municipality's tax rate is two to three times that of another is anything but egalitarian. And it is even less so if one taxpayer pays four times as much tax as another when the two should be paying the same amount.[9] Yet this is what was happening in most urban and rural municipalities.

The disparities among the regions were all the more apparent when it came to assessing and taxing farmland. Though the weight of taxation in the most prosperous farming regions was tolerable, in the poorer regions it was crushing. To cite the example of Gloucester in 1961: the rate was $8.25 per cleared acre when some agricultural land could be bought for $10 per acre or even less — that is, the tax rate tended to be the same as the actual value of the property.[10] The Byrne Commission analyzed farm incomes and noted that the lower the farmer's income, the higher the portion he paid in taxes. In other words, low income farms were subject to an overvaluation. Add to this the tax on personal property that applied to livestock and machinery, and it is clear that the situation was catastrophic for many farmers in the poorer regions. According to the commission, farmers in all regions of New Brunswick generally paid a disproportionate amount of property tax compared to those in other categories.[11]

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8. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 310.
9. Ibid., 13.
10. Ibid., appendix G, 3.
11. Ibid., 226–27.

A study conducted on the taxation of woodlots led the Byrne Commission to arrive at the same conclusions. The anomalies found by it were identical to those noted in the case of farmlands — that is, the methods used to assess forests varied greatly from one rural municipality to the next. The tax rates on forests in some regions were so high that they discouraged the forest industry.[12]

The tax exemption policy in the industrial sector also posed certain problems. The Byrne Commission maintained that some companies did not pay their fair share of municipal taxes. Municipal authorities for their part approved of this favouritism and used the policy of tax exemptions to industry in order to set one company against the other. Above all, however, the practice was used as a strategy to attract large corporations.

Given the serious inequalities generated by the entire municipal taxation system at that time, it is not surprising that municipalities had serious problems collecting their personal and real property taxes. The burden of property taxes proved overwhelming for some taxpayers, even exceeding their ability to pay. In many municipalities, this problem was accompanied by another problem, taxes in arrears. In 1961 the cities managed to collect 80 percent of their taxes, the towns 77 percent, and the counties only 64 percent.[13] Between 1952 and 1961, the county taxes in arrears jumped by 160 percent and accounted for more than one-third of all municipal taxes owing. Most municipalities, particularly rural ones, were on the brink of financial disaster.

The Problems Facing Municipalities Prior to the 1967 Reform

The problems confronting municipalities at that time stemmed from the extensive powers that had been assigned to them. The acts of 1877 and of 1896 had granted the municipalities powers in social welfare, health, justice and by 1943 in education.

During this period, financing education was a major problem for governments. In fact, no order of government had ever provided adequate funding for education, a situation with the potential for creating serious problems. Such was the case in New Brunswick, and

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12. Ibid., 254. See also Ralph Krueger, “The Provincial-Municipal Government Revolution in New Brunswick,” *Canadian Public Administration* 13 (1) (Spring 1970): 67.
13. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 248.

it continued right up to the time of the reform in 1967. Most local governments could no longer fund the province's school system. Prior to the 1940s, school boards were responsible for financing education, and it was not until 1943, when the county school finance boards were set up, that the responsibility for that was given to the counties. The county council voted on the school budget submitted by the school finance board and levied taxes. However, the moment the county councils agreed to share these responsibilities with the school boards, their financial problems began.[14] At the same time, some urban municipalities also agreed to share with their own school board the financing of education within their territory.

Despite the creation of the county school finance boards to assist the poorer school boards and an increase in provincial grants, education remained in disarray throughout most of New Brunswick. In the early 1960s, the provincial government was supplying 33 percent of the school board budget, with the balance being assumed by the municipalities. Although the school finance board system was an improvement over its predecessor, it failed to equalize the level of education, eliminate the disparities between rural and urban municipalities, and more fairly allocate taxation within the counties.[15] Interestingly, though, the system that was introduced — an equalization system under which the richest parishes within a county helped finance education in the poorest parishes — probably served as a model for the funding of the entire Programme of Equal Opportunity.

The municipalities' problems were further compounded by the sectors of health and social welfare. The Social Assistance Act of 1960 was clear in indicating to the municipalities that provincial authorities intended to become increasingly involved in social welfare. Moreover, the federal government began instituting a national social policy under which Ottawa would make generous transfer payments to the provinces, payments that amounted to as much as 50 percent of the cost of provincial welfare programs. New Brunswick thus began working to establish programs that would meet Ottawa's requirements and standards. As long as the province's welfare services continued to be administered primarily by the municipalities, such objectives were apt

14. E. G. Allen, "Case Study on Change—New Brunswick: Implementation of the Equal Opportunity Program" (Unpublished paper presented at the annual conference of the Institute of Public Administration of Canada, St. John's, Newfoundland, 1969), 3.

15. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 76.

to be difficult to attain. Under the 1960 act any municipality seeking provincial grants had to organize into a welfare district managed by a regional committee. The strategy behind the provincial policy was to push the municipalities into centralizing all welfare services under a single regional administration, an arrangement that followed the example of the county school finance boards in the field of education. Introduction of the policy marked the end of the reign of the parish officers. Called the "fathers of the poor," they distributed money to the needy in their parishes as they saw fit.

Since the grant system introduced by the provincial government to help municipalities administer the welfare programs had not been set up according to the equalization principle,[16] it failed to bring relief to all rural municipalities. The poorest regions, where the need for social assistance was greatest or the financial capacities the most limited, had to pay the most. The shares of the counties of Northumberland and Gloucester, two of the poorer counties, were $81,000 and $76,000 respectively, while Albert, Kings, and Queens counties paid only $5,000, $2,500, and $2,700 respectively.[17] Were there fewer needy people in these counties, or were the criteria that had to be met to obtain financial relief more stringent?

What is more, the municipal administrations were never able to afford the services of qualified personnel who could have assisted those in need and established rehabilitation programs for chronic cases. In short, there were problems convincing municipalities that welfare programs had to be administered in accordance with the standards of a modern society.

In the early 1960s, the sector for which municipalities retained the most responsibility was hospital services. Even though the federal-provincial agreements on hospital insurance at the time effectively reduced the financial responsibility of municipalities for the cost of hospital administration, they nevertheless continued to contribute to the cost of building construction. Since all hospitals had yet to fall under provincial government ownership,[18] the municipalities that owned hospitals were responsible for a portion of the building costs. Usually the decision to build a new hospital or an addition to one was made by the owners, that is, the municipalities, the private agencies, and the religious communities — sometimes even by the

16. Ibid., 99.
17. Ibid., 101.
18. It was not until 1972 that all hospitals became the property of the provincial government.

physicians themselves. Supported by local authorities and backed by political pressures the owners managed to receive provincial government grants for construction and equipment. This gave rise, according to the Byrne Commission, to political favouritism and inequities. Some regions were short of hospital beds; others had "extravagant" buildings and equipment.[19] This province-wide lack of planning, as evidenced by the location of hospitals and health care services in general, was at the root of the difficulties in this sector.

Similar problems arose with the administration of justice, an area where the municipalities possessed a great deal of autonomy. Under the Counties Act, municipalities were responsible for the construction and maintenance of court houses, court rooms, and jails. As well, it was up to them to maintain the court office for the county and pay the salaries of court clerks, sheriffs,[20] county magistrates, and juvenile court judges. They were also responsible for the cost of judicial inquiries and for criminal proceedings in the county court.[21] The Byrne Commission picked up on observations made by the Committee on the Administration of Justice in 1958,[22] namely, that the municipalities had neither the financial nor the human resources needed to establish rehabilitation programs for offenders. The county jails and court houses were antiquated. And in addition to being understaffed, all of the jails used different rehabilitation methods and programs. In short, they appeared at the time to be no serious comprehensive provincial plan to resolve the problems in the administration of justice.

What place did Acadians have in this municipal government system, and what was their role in the local decision-making process? Acadians were in the majority in only a few rural or urban municipalities. Specifically, there were three counties, one city, and five towns where francophones accounted for more than 80 percent of the population. Such was also the case in a certain number of local improvement districts, although they cannot really be considered municipalities, since their constituting statute gave them fairly limited

19. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 149.

20. It may be noted that the provincial cabinet appointed the sheriffs, whereas the county councils paid their salaries.

21. New Brunswick, *Revised Statutes of New Brunswick* (Fredericton: Queen's Printer, 1952), chapter 41, section 46, and chapter 44, section 109.

22. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 22, 159.

decision-making powers, and they were under the supervision of provincial authorities. In the francophone municipalities, French was the language of debate, discussion, and proposals, but by-laws could be drafted in both French and English. However, some of these francophone municipalities drafted their by-laws in English only.

In the other rural or urban municipalities, Acadians wielded limited political power, even though they accounted for a relatively large percentage of the population in some of the municipalities. The practice at the time was to conduct all council business in English, although when a francophone councillor spoke in French, translation was provided. In these municipalities, anglophones held the decision-making power. Consequently, prior to the reform of local institutions in 1967, the Acadians of New Brunswick cannot be said to have had extensive control over their local institutions. The only exceptions were a few municipalities where their greater demographic weight made it possible to elect a municipal council composed entirely of francophone councillors.

Inevitably, the province's system of municipal government arrived at an impasse. Most rural municipalities were exacting high taxes in return for poor-quality services in fields that were increasingly considered essential — namely, education, health, the administration of justice, and assistance to those in need. The Byrne Commission evaluated the situation in the urban municipalities as being less serious, but stated that it was only a matter of time before they too would encounter the same financial problems. What was the provincial government to do? It could have changed its municipal grant policy in an effort to correct the inequalities among the municipalities and, for all practical purposes, among the regions as well. But even if it had applied this remedy, the problems relating to the administration of these programs would doubtless have remained unresolved.

It was clear that the municipalities' once exclusive jurisdiction in social matters was eroding. After World War II, citizens witnessed the rise of the welfare state and its intervention in economic and social fields. Beginning in the 1950s, the federal government took the initiative in this regard and proposed to the provinces that it finance a major portion of the new social policies, even if sectors under provincial jurisdiction were involved. The federal government proposal came with one condition: that the municipalities agree to manage the new programs according to standards that purported to be national. To a large extent, implementation of the social policies met with the earnest support of Canadians across the country, and this put

substantial pressure on provincial authorities to become more involved with, or even in place of, the municipalities in financing and operating social programs that had become nation-wide in scope.

With respect to municipal powers, the Byrne Commission made a distinction between local powers (those associated with property) and powers that were more socially oriented (those to do with services to people). The financing and administration of social powers in particular tended to pose problems. The governments introduced policies in areas such as health, social assistance, and even education — areas for which individuals would have taken responsibility a few decades earlier and where the state would never have become involved. Society was evolving, and new ideas and values were gaining ground. Citizens' support for the new choices was of course not surprising; however, the main difficulty in New Brunswick, as in other Canadian provinces, lay in creating new structures. This was the challenge taken up by the Robichaud government in 1967, and the Programme of Equal Opportunity was its response.

The 1967 Reform of Municipal Institutions

The Programme of Equal Opportunity has been analyzed by a number of researchers over the past three decades. Krueger, Ruff, d'Entremont, Stanley, Young, and Smith, among others, have unanimously recognized the far-reaching scope of the reform and demonstrated that no other provincial government in Canada has gone as far as the New Brunswick government did in redefining provincial-municipal relations.[23]

At the time of the reform, New Brunswick's municipalities were not alone in experiencing acute financial problems. Commissions appointed in four other provinces — the McLeod Commission in Saskatchewan, the Michener Commission in Manitoba, the Smith Commission in Ontario, and the Bélanger Commission in Quebec —

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23. See Krueger, "The Provincial-Municipal Government Revolution in New Brunswick": 51–99; Norman Ruff, "Administrative Reform and Development: A Study of Administrative Adaptation to Provincial Developmental Goals and the Reorganization of Provincial Government and Local Government in New Brunswick, 1963–67" (Doctoral thesis in political science, McGill University, Montreal, 1973); Harley Louis d'Entremont, "Provincial Restructuring of Municipal Government: A Comparative Analysis of New Brunswick and Nova Scotia" (Doctoral thesis in political science, University of Western Ontario, London, 1985); Della M. M. Stanley, *Louis Robichaud: A Decade of Power* (Halifax: Nimbus Publishing, 1984); Robert A. Young, "Remembering Equal Opportunity: Clearing the Undergrowth in New Brunswick," *Canadian Public Administration*, 30 (1) (Spring 1987): 88–102; R. M. Smith, *Retour à l'égalité des chances* (Sussex: New Brunswick, Royal Printing, 1992).

all found the same financial problems in the municipalities of their respective provinces as those identified by the Byrne Commission. As well, they all recommended centralization as the solution, although New Brunswick surpassed the others in the extent to which it embraced the centralization movement.

The Programme of Equal Opportunity cannot be fully understood without referring to the objectives pursued by the provincial government and presented by it during the 1960 and 1963 election campaigns. Primary among those objectives was the province's economic development, and it formed the basis for all the others. The government firmly believed that as long as the antiquated structure of the local governments remained in place, it would be impossible to attract foreign investment and facilitate the free circulation of capital within the province. The systems for municipal assessment and the taxation of personal and real property in use at the time were not the sort to attract investors to the province.

A strong and widely held belief at the time was that economic development goes hand in hand with a significant increase in the level of education. The New Brunswick government shared this conviction and recognized that uniform standards of education would have to be established in all regions of the province. Everyone agreed, however, that this would be difficult to attain as long as education continued to be funded primarily through municipal taxes. Subscribing to the popular view of the day that the state had a role to play in the battle against economic disparities, the provincial government was convinced that if it could solve the inequalities and inequities in the delivery of public services, social justice would be achieved. When postwar humanist movements gave rise to the welfare state, governments took on the new role of ensuring a fairer distribution of available wealth. This tenet is precisely what was taught at the École des sciences sociales at Université Laval, notably by Georges-Henri Lévesque, who instructed an entire generation of French Canadian leaders, including Louis Robichaud.[24] The provincial government reasoned that if it created a favourable socio-political context founded on the fairest taxation possible, one that would give every citizen equality of opportunity, particularly in the fields of health and education, true economic development would inevitably follow.[25]

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24. Stanley, *Louis Robichaud*, 10–13.

25. Young, "Remembering Equal Opportunity", 97.

The 1967 reform drew heavily on the recommendations of the Byrne Commission for inspiration. Indeed, the reform might almost be considered a carbon copy of the commission's report. The government did as was recommended and assumed responsibility for the real property assessment and taxation policy, which it completely revised. Not only did it abolish the tax on personal property; it also did away with the poll tax, which amounted to nothing more than an insidious tax on the right to vote. To completely overhaul the local government framework, the province abolished all county councils and made it easier for some ninety communities to incorporate into villages. Until then, the communities constituted the local improvement districts. The province also took complete control of social powers — that is, general services to people, namely, education, health, social welfare and the administration of justice — and left the municipalities with powers relating only to local services. As well, the government introduced a new system of grants to municipalities, a new motor vehicle tax, and a sales tax increase.[26]

The Byrne Commission drew on Sweden as the model for its recommendation that the administration of these new centralized powers be turned over to administrative commissions that would be independent of government and free from partisan pressures — very similar in essence to certain provincial commissions that had already been set up. Specifically, the commission recommended that responsibilities be centralized at the provincial government level, but that administration be decentralized in regional offices through the proposed provincial administrative commissions.[27] The Robichaud government rejected this recommendation. One of the reasons it gave was that its implementation would prevent the administration from putting together a professional provincial public service.

As a general rule, any centralizing policy is a source of concern for citizens. The thinking is that as the centre of decision-making shifts away from them, their direct participation in the political process diminishes and may even become nothing but an illusion. In matters that affect them directly, they see themselves as being at the mercy of both politicians and civil servants. There is also a sense that something is being taken from them, and the conclusion often arrived at is that centralizing governments are authoritative, not to say dictatorial.

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26. Krueger, "The Provincial-Municipal Government Revolution in New Brunswick," 51.
27. New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 25.

It makes it all the more surprising, therefore, that when the municipal reform was being implemented, most New Brunswickers seemed unaware of these negative aspects of centralization. The majority, especially those living in the more economically depressed regions, saw only the advantages it would bring, such as a drop in real property taxes and improved health and education services. As well, many farmers and fishers felt liberated by the abolition of the tax on personal property and the reduction in the real property tax. The general consensus in New Brunswick, then, was that centralization was a very good thing. Norman Ruff summed up the situation this way:

> The circumstances of the province — the attitudes of its people, its financial resources, its size, the size of its cities and towns and the wealth and density of population in the rural areas — determined the best solution. All six of these variables were directly related to the state of economic development within the province. Given the small population and compact geographic nature of the province, it was further argued, the proposed centralized system of government would be no cause for very great concern.[28]

Nevertheless, the centralizing aspect of the reform, with the resulting loss of traditional local interests and powers, awakened old demons. The familiar cleavages — North-South, francophone-anglophone, rich-poor — that had long divided New Brunswick society resurfaced. In principle, of course, everyone is proliberty and pro-equality, and against inequity. However, when small local powers and interests are threatened in the name of these principles, reactions are not always the best. Since the economy of the North was weaker than that of the South and since the province's francophones lived mostly in the North, some people were quick to charge that the reform was designed and carried out to benefit the province's francophones — despite the fact that there was a considerable pool of anglophones in the North and that some anglophone regions of the South were also poor. When the Byrne Report was presented in 1963, the recommendations were attacked and criticized. Two years later, in the spring of 1965, the government tabled its white paper in the Legislative Assembly, in which it clearly indicated its intentions and the reform's guiding principles. It was met with a scathing attack from the Opposition,[29] but the government pressed on.

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28. Ruff, "Administrative Reform and Development," 154.
29. Stanley, *Louis Robichaud*, 141–47.

The first statute of the Programme of Equal Opportunity was presented during the 1965 fall session of the legislature and adopted in February 1966. From then on, property assessment, a source of financial woes for municipalities, was to be conducted according to provincial standards by civil servants trained for the task. The goal was to have everything in place by 1 January 1967, which meant rewriting or repealing the more than 125 provincial statutes that made up the reform's legislative program.[30] The spring session was the most intense, as the reform's major pieces of legislation were all adopted in late June 1966.

The new structure of the municipal government system is described in the Municipalities Act, which was adopted in June 1966. The act also provided for the abolishment of county councils. Other than the few people touched by nostalgia, no one was sorry to see the councils disappear. County councils had been looking for a role to play in the area of law-making. Increasingly dependent on provincial grants, they had been sharing their powers with the provincial government since the 1930s. Just prior to their abolishment, the role of the county councils was limited to levying unpopular taxes, voting budgets that had been decided beforehand, and, according to certain councillors, making nominations — parish "fenceviewers," basically — and compensating farmers whose sheep had been devoured by stray dogs. As a result of changes in the nature of society, the county councils no longer stirred much interest among the people. Not many citizens attended their meetings, and relatively few participated in the election of councillors. When interviewed by Della Stanley in July 1979, Edward Byrne remarked, "We did not abolish county councils, we simply left them with nothing to do."[31]

The new Municipalities Act also modified the powers vested in urban municipalities. Like the counties, municipalities had been financing education, hospitals, and people in need. Under the reform, these responsibilities were handed over to the provincial government. It should be noted that the municipalities were not penalized by the new formula for provincial grants. The new arrangements enabled them to concentrate more on improving the quality of the local services being delivered to their citizens.

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30. P. Léger, "Case Study on Change—New Brunswick: The Program of Equal Opportunity, a Summary" (Unpublished paper presented at the annual conference of the Institute of Public Administration of Canada, St. John's, Newfoundland, 1969), 11.

31. Stanley, *Louis Robichaud*, 130.

Under the old system, the legislation included provisions for communities to incorporate into villages; however, few chose to do so. From the time the Villages Act was passed in 1920 up to the reform, only four villages were incorporated. Three of the four later requested the status of town,[32] with the result that only one village, Port Elgin, remained when the reform was introduced. Communities showed little interest in applying for a charter of incorporation because of the restrictions in the 1920 act. To be eligible for incorporation as a village, the community first had to have a population of three hundred and an area of at least fifteen hundred acres. Village powers were also more limited than those of towns, and all by-laws had to be sanctioned by provincial authorities. On certain matters, bond issues had to be ratified by a plebiscite of the ratepayers and required a two-thirds majority. In the case of elected councillors or civil servants already working for a village, the provincial government reserved the right to replace them with provincial civil servants. In other words, Fredericton could take on a guardianship role.[33] Finally, the provincial grants formula being used discriminated against villages.[34] Clearly, there was little here to interest the communities. In addition, the rural areas were highly integrated; community residents seemed strongly attached to their parishes, which formed the basis of their county councils. They took part in the election of councillors — who were as likely to come from the community as from the country — on an equal footing with those living in the surrounding countryside. Despite the community-country rivalries that flared up from time to time, residents of the communities felt well represented within their rural municipality. They were convinced that the county councils provided them with all the services they were entitled to, services they believed would have been unavailable had they chosen to incorporate into villages.

The new Municipalities Act was designed to correct this situation by placing villages on an equal footing with towns and cities. The organization and operation of municipalities, being legislated under a single comprehensive act, became standardized. For towns, the only notable differences were the provincial grants that were specific to them and the fact that the provincial government assumed financial responsibility for their road maintenance and police service.

32. Dieppe, Rothesay, and Shippagan.

33. New Brunswick, *Revised Statutes of New Brunswick*, chapter 242, section 38.

34. In 1961 the provincial grant formula per capita to the municipalities was $20.71 for cities, $12.70 for towns, $8.42 for villages, and $4.98 for counties. See New Brunswick, *Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick*, 8, 10.

The eleven local administrative commissions and sixty-three local improvement districts were incorporated into villages, as were some fifteen communities two years into the reform. In 1973 the government acted on the recommendations of the committee chaired by Edwin Allen and modified the grant formula. It required villages to provide the same services as towns and made them equal with the other urban municipalities in their dependence on provincial funds. Today, the major distinguishing feature between towns and villages is the number of inhabitants.

The reform was significant for the francophone population of New Brunswick in two ways. First, it allowed for the emergence of wholly francophone municipalities, and, second, it gave francophones access to a local government system they could call their own. Moreover, for many rural citizens, the incorporation of villages brought with it true local democracy. It paved the way for a whole new generation of local politicians who helped chart their communities' destiny, something that would have been unlikely had it not been for the village incorporations. The situation regarding women deserves special mention: because of restrictions imposed on them by the poll tax, women had difficulty getting elected to county councils. Indeed, at no time in the province's history did a woman sit on a county council. The 1967 municipal reform finally made this possible. The creation of the Association des municipalités francophones in the 1980s also illustrates the determination of these new municipal politicians to establish themselves on the provincial stage.

If the reform were to be faulted, it would be for setting up local service districts (LSDs). Though stressing the importance of the villages was effective in making a good part of the rural population more aware of the municipal political institutions, the immediate impact of abolishing the county councils was to deprive the rest of the rural population of those very institutions. Indeed, the new structure denied nearly 250,000 citizens or 30 percent of the province's population of their right to take part in electing municipal representatives. As it reads today, the Municipalities Act of 1967 still allows rural populations living outside incorporated centres to establish themselves as LSDs and thus give themselves certain services such as fire protection, garbage collection, street lighting, and so on. In the strict sense of the word, however, an LSD is not a municipality since it is not incorporated and has no elected council. The taxpayers' annual general assembly has only very limited decision-making powers and is totally dependent on the municipal affairs minister. The director

of the Department of Municipal Affairs' regional office looks after local service district affairs and also acts as the taxpayers' spokesperson in their dealings with the municipalities and the Department of Municipal Affairs in Fredericton.

New Brunswick now has 271 local service districts, which cover 80 percent of the province's territory and represent 40 percent of its total population. Why is it then that thirty years after the implementation of the reform there are so many New Brunswickers who are still without the benefit of representative local government? The reason for this may have to do with a lack of local political culture. In the county council days, politics failed to instill in rural citizens a sense of the importance of local institutions. Many of them believed, as they still do, that they could do without them. Add to this a tax rate that at the time of the reform in 1967 was lower in the LSDs than in the surrounding towns or villages, and the explanation seems clear: many people moved to the LSDs, where the beauty of the countryside and the calm of rural living compensated for the lack of representation and limited services. Of course they were deluding themselves. One might also ask if pressure is being applied to the provincial authorities by forestry and farming interests to ensure that nothing changes. Perhaps these interests are reluctant to have an additional player involved in the management of the land in question.

Tax rates in an LSD now vary only slightly from those of neighbouring municipalities. Though LSD residents have been enjoying an increased level of services for some time, they do not yet have any elected municipal representatives.

The governments of Ontario and Quebec introduced their own reform of municipal taxation in an effort to lighten the financial burden of municipalities. This led to new institutional arrangements, specifically changes to the structure of counties. The Ontario government created regional municipal governments, the Quebec government's solution was regional county municipalities. One characteristic of the two new structures was that no citizen was left without a local government.

In 1975 the Hatfield government established another committee, again chaired by Edwin Allen, to examine the structure of the regions not incorporated as municipalities. The recommendation of the committee was to create eleven new "rural" municipalities which were to encompass, and thereby eliminate, all LSDs. The powers of the new municipalities would be as defined in the Municipalities Act of 1967. The government chose not to act on the recommendation.

In 1994 the McKenna government introduced the concept of rural communities. In these communities, unlike the LSDs, the election of representatives is carried out at the same time as the municipal elections in towns and villages. However, the communities are similar to LSDs in that they have no legal status; all powers are held by the Department of Municipal Affairs. The primary role of the rural communities is to be a voice in the process of land and town planning. So far, there is only one rural community in New Brunswick, Beaubassin-Est in the southwest, which was formed in 1995 following the consolidation of five LSDs. Since 1995 there have been three fruitless attempts to form rural communities: two in the Saint John region, specifically in Quispamsis and in Grand Bay, and one in Lac-Baker in the Madawaska.

Over the past few years, some LSDs have been amalgamating with adjacent towns or villages, but not without opposition from the citizens of the LSDs. So far, the situation where citizens are living on the periphery of representative local institutions remains unresolved.

Funding the Programme of Equal Opportunity and the 1967 Municipal Reform

How did the government intend to finance this reform and who was going to pay for it? These were the questions on the lips of the reform's opponents. By adopting a new uniform assessment roll across the province, the provincial government facilitated its own entry into the one field of taxation which up to then had been reserved for municipalities only — the tax on real property. The provincial rate was set at $1.50 per $100 of full market value. Using the same assessment roll, each municipality in turn established its own taxation rate. The government stipulated that the combined provincial-municipal rate should in no case exceed $2.00 per $100 of assessed value. The revenue loss was to be made good by an increase in provincial grants to municipalities. However, the provincial government fully abandoned this field of taxation in 1979, and taxpayers consequently benefited from an annual tax reduction of 25 percent from 1975 to 1979, with the tax being completely eliminated in the last year.

The government was to institute a new tax — a commercial property tax. The rate was set to correspond to the tax on real property, that is, $1.50 per $100 of assessed value. This meant that merchants paid a double tax on their property. In the years since, the tax rate

has remained the same; however, it now extends to all nonresidential establishments. To complete the picture, the government increased the sales tax from 3 percent to 6 percent.

Opponents of the reform were well aware that these new taxes alone would not generate enough revenue to pay for the provision of services — services that were henceforth centralized — in education, health, and social assistance. On this point they were probably right. They also suspected that a centralization of services carried out in the name of uniformity and efficiency was liable to result in a tax increase, particularly on real property in the richest regions of the province. However, the Robichaud government would never have embarked on such a reform had it not been convinced that a large part of the reform would be paid for by new social transfer payments from the federal government. The provincial government wanted to be well prepared for this windfall from Ottawa. The fears of opponents of the reform thus did not materialize: real estate taxes dropped in the poor regions of the North but did not rise in the rich regions of the South.

Conclusion

The municipal reform of 1967, which was at the heart of the Programme of Equal Opportunity, cannot be understood or explained without first reviewing the situation prior to the reform.

In the early 1960s, New Brunswick's urban and rural municipal governments were faced with serious financial problems. In the nineteenth century, the provincial government had assigned major responsibilities to the municipal governments for financing health, education, social welfare, and justice — in addition to the traditional services that were to be provided by them such as fire protection, road maintenance, water, and sewerage. Economic disparities within the province meant that the municipalities in the poorer regions were no longer able to provide their citizens with services of acceptable quality. The lack of uniformity in the personal property and real estate assessment roll also created serious disparities in taxation rates among the different municipalities. As a result of their limited financial resources, the poorer municipalities were subject to a double inequity: taxpayers in these regions suffered a greater financial burden, and yet the services in the fields judged essential were of lower quality.

During its election campaigns, the Robichaud team promised to work hard to ensure the economic development of New Brunswick,

but not at any cost. In keeping with the values of the time, it believed that true economic development had to be founded on the principle of social justice, that is to say, on a fairer distribution of the wealth available in society. Once elected, the Robichaud government was convinced that neither of the two objectives could be achieved as long as the antiquidated system of municipal government remained in place. The solution, they felt, lay in new institutional arrangements for managing provincial-municipal relations.

Drawing on the recommendations of the Royal Commission on Finance and Municipal Taxation, the Robichaud government proceeded to implement a reform that was to change the face of the province's local institutions. The government's actions, in the name of uniformity and efficiency (the reform's two key concepts), resulted in all the powers and responsibilities that the municipalities could no longer finance being centralized in Fredericton, powers that had led to so many inequalities and inequities for taxpayers in certain municipalities. The government adopted a uniform assessment roll for the entire province and was thereby able to establish a provincial taxation rate on real estate designed to correct past injustices. In addition, the federal government committed itself to transferring considerable sums to the provinces for the purpose of introducing and financing a new social policy for their residents. For New Brunswick, the federal payments meant that it would be able to finance most of the costs of the reform.

The introduction of new institutional arrangements spelled the end of county councils, local improvement districts, and county school finance boards. The arrangements also made it easier for nearly ninety communities to be incorporated into villages. This in turn revived interest in local politics within the communities and led to the emergence of a large number of francophone municipalities. The reform had one flaw, though — the setting up of local service districts. In 1967 these local institutions, which had no legal status and fell directly under the Department of Municipal Affairs, effectively deprived more than 30 percent of the population of New Brunswick of a representative municipal government.

Once initiated, the Programme of Equal Opportunity resulted in an immediate improvement in the quality of education, health, and social welfare services for all New Brunswickers, in particular for those living in the more disadvantaged regions. Centralization was an inherent aspect of the program. Despite the negative effects that are generally attributed to the process, centralization gave residents

a greater sense of belonging to the province. Acadians had always seen themselves as living on the fringes of political society. Having benefited from the reform, they now began to feel more of an integral part of the province. For the first time, they actually identified with a provincial government. Indeed, the implementation of the Programme of Equal Opportunity remains a very good example of state integration.

The program also contributed greatly to strengthening democracy at the provincial level. Not until a number of public consultations had been held did the process of implementing the reform get under way. Citizens were free to express themselves while the Byrne Commission was conducting its studies, and they did so after the tabling of the white paper in March 1965 and when each of the statutes of the reform was sent to the Law Amendments Committee of the legislature. Though the reform was carried out over a relatively short period of time, the government provided the population with detailed information on the program's major elements and urged citizens to express their views throughout the process. As well, the creation of the villages under the reform gave citizens access to a representative municipal government — citizens who until then had only a limited experience of municipal politics. In fact, a number of communities had never before sent a representative to their county council. For the first time, such communities could address matters that directly concerned them. The reform also marked the advent of a new generation of politicians who took an active role in controlling the destiny of their communities.

Examined closely, the objectives pursued by the government in implementing the Programme of Equal Opportunity confirm that the program's primary focus was not municipal reform but rather economic development and social justice. In the mind of the government, they were no doubt directly related — economic development founded on the principle of social justice. These two objectives could not have been achieved other than by redefining municipal government powers and provincial-municipal relations. Ultimately it was through the radical restructuring of the province's municipal institutions that the Programme of Equal Opportunity was successfully implemented.